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## The Analysis of Local Potential in BUM Desa Empowering in Desa Lembengan, Kecamatan Ledokombo, East Java

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### ABSTRACT

This research examines to know empowerment effort by local government. It focuses on social capital in society and new local potentials. This study use descriptive qualitative research. This research uses some data collection techniques such as observation, in depth interview, and documentation. Data are conducted through stages such as (1) data reduction, (2) presentation of data, (3) conclusion. The results through these stages can be credible. Then data triangulation technique is used during validation. This research result shows that empowerment of BUM Desa still less successful. In progress and implementation, BUM Desa in Lembengan in 2010-2017 has not contributed to local governance income significantly. This research finds the weak role of social capital of society such as commitment, trust, norm, social network to support BUM Desa empowerment in Lembengan. There are some BUM Desa business partners as new local potential that can be developed such as brick industry, petulo cracker industry, and tobacco industry.

**Keywords :** *BUM-Desa Empowerment, Local Potentials, Local Governance, Social Capital*

### INTRODUCTION

Regional Regulation No. 6 in 2014 about Village states its "great power" in contributing to Indonesian mission (sovereign, prosperous and dignified). The policy is highly relevant to the perspective of village as the subject of development and performs its function as a self-governing community. In order to carry out this function, the content of the regional regulation instructed the government to allocate village funds to every administrative in Indonesia. This grant will be share at least 10 percent beyond the transfer grant that gradually granted.

In the framework of village development aims at improving the quality of human life and poverty alleviation. The local enterprises (BUM Desa) play main role in representing the role of the Local Government in

developing local economic potentials and in providing public services for rural communities. Although the substance of the BUM Desa is nothing new in the regulations on local governance, but the regional regulation gives more emphasis in the aspect of independence. This autonomy is the process undertaken by the local government and communities to conduct an activity in order to meet their needs with their own ability.

BUM Desa is one form of local economic business that is collective between the local government and the community. BUM Desa moves in tandem with efforts to increase the original source of income of the village. They make a move in the economic activities of the community. BUM Desa take a main role as an institution to protect all of the activities (Nurcholis, 2011). Thus the existence of BUM

Desa is very important as the strengthening of the local economy to realize the independence of the village.

Marwan Jafar, Ministry of Villages, Disadvantaged Regions and Transmigration, confirmed one of the programs used as a national movement. It is to realize 5.000 independent villages from the village funds provided through BUM Desa. The village will easily develop their economy. It can boost the welfare of rural communities. The number of BUM Desa in East Java is the largest in Indonesia. Based on data from the Directorate of PUED, the Ministry of Villages PDT & Transmigration noted the recap of BUM Desa in East Java in 2014 by 1136 villages with BUM Desa from a total of 7722 villages. It indicates that the total of BUM Desa in 14.7% of the total village. While in 2015 Kemendesa noted there are 869 BUM Desa. The huge number of BUM Desa was formed in 2015 is strongly influenced by the existence of village funding so that BUM Desa can grow up to 76% (Kompas.com, 2015)

There are many challenges to empowerment of BUM Desa as a relatively new economic institution. Experience in several regions shows that BUM Desa implementation has not been working properly and many factors influence it. BUM Desa management is less successful according to several studies such as at Desa Landungsari, Kecamatan Dau, Kabupaten Malang (Ramadana, Ribawanto, & Suwondo, 2013) and at Desa Kemiri, Kecamatan Panti, Kabupaten Jember (Wulandari, 2014). According to them, BUM Desa has not been able to contribute to the increase of PADes (local income) due to the weakness of human resources of management. While, there are other research about the cause of BUM Desa. They do not provide income on the original income of the village due to the existence of individual interests. It is related to the management of economic potential. So, the implementation of BUM Desa can not run properly (Budiono, 2015).

Social capital is the social factors in the daily life of the community that will greatly affect the viability of BUM Desa. The important factors in social capital are the bond of solidarity among the people, the mutual trust between citizens, and the culture of citizens. The economic problem does not only deal with capital or commodity

issues. One of the important processes in establishing BUM Desa is the involvement of the community as the owner of local authority and stakeholders from the establishment of BUM Desa. It shows in Wijanarko (2013) research, he states the lack of support and community participation in the empowerment of BUM Desa caused the failure of the BUM Desa empowerment. Based on the research, BUM Desa implementation is influenced by community participation (Wijanarko, 2012).

The existence of social capital has an important role in the effort to encourage community participation. According to Suharyanto (2014), the growth of BUM Desa in the village turned out to be strongly influenced by the tradition of the village created by social capital. According to Putnam social capital can be productive capital to achieve a goal of public institutions (Putnam, 1993). It is also similarly to the opinion of Westlund, social capital is also based on the economic factor as an important capital (Westlund, 2006).

Based on these important issues, this research examines the empowerment of BUM Desa by knowing the effort in optimizing the empowerment of BUM Desa. Author uses CIPPOO approach (context-input-process and output-outcome) to observing the empowerment effort by this local governance. The author also wants to observe the potential of social capital in society. It can encourage high participation in the empowerment of BUM Desa. It becomes very interesting and important to do. In addition, unexploited main potential of villages is also attractive to explore in the potential village analysis. It can be managed for the development of new village business units. So, village funds can be optimized to develop BUM Desa to become the new economic power.

This research conducted in Lembengan Ledokombo Jember. Author selects this village because the village was selected as one of the location of BUM Desa empowerment activities in 2015 from Bapemas Government of East Java Province. Lembengan has accomplished the criteria from Bapemas. First, Lembengan have superior economic potential that is possible to be developed as a BUM Desa business. Second, there is a commitment of capital

participation from the Local Government, local economic institutions that will join as well as private equity participation; there is consolidation agreement of local economic institutions to join BUM Desa institution. Third, there is coaching support from district government for BUM Desa Empowerment (Bapemas Jatim, 2015).

Based on this background, this paper will discuss more deeply about the efforts to create an independent village through the empowerment of BUM Desa by Lembengan Jember Government with its citizens. The purpose of this research is to recognize local Governance through the empowerment of BUM Desa to become an independent village. It also explores the big role of social capital of the community in order to to empower the BUM Desa. The author also wants to explore the potential of the village that can be managed for the development of a new village business unit.

## METHODS

The research uses qualitative research by doing case study. Denzim and Lincoln (2009) define qualitative research as an approach on natural setting. This approach seeks to interpretate the phenomenon that occurs in sosial meaning. It can be describe by involving various methods. This type of information can help significantly in the

analysis of local potentials in BUM Desa empowerment in Lembengan, Jember. Author uses case study in order to know the diversity and particularity of the object related to the specifically for empowerment of BUM Desa in Lembengan. Lembengan in Jember has had BUM Desa since 2010. It is a long time as compared to other villages in the Jember. This research is focused specifically to find out the efforts of local government in improving BUM Desa. Then, it also focuses on the role of social capital in encouraging the empowerment of BUM Desa. The author also wants to know the potential of the village that can be developed as a new business in empowerment program of BUM Desa in Lembengan.

The author uses data collection techniques such as observation techniques, interviews (*indepth interview*), and documentations. Author uses two forms of data such as primary data and secondary data. Primary data is the result of interview with informants and observations. The interview is intended to examine the attitude, views, behavior of the research object about a phenomenon. If the interviewer wants to inquire in depthlier, they can use unstructured interview (Moleong, 2004). This unstructured interviews flow looks like everyday conversation. This list of informants can be seen in the following table:

**Table 1**  
**List of informants**

Informants	Total of informans	Note
Head of Village	1 person	Knowing the context, input, process, output, empowerment outcomes from the empowerment stage of Lembengan BUM Desa, knowing the role of social capital of citizens, knowing the potential of the village
Local government	2 people	Knowing the context, input, process, output, empowerment outcomes from the empowerment stage of Lembengan BUM Desa, knowing the role of social capital of citizens, knowing the potential of the village
Head of Neighbourhood Unit	3 people	Knowing the role of social capital of citizens include commitment, trust, social institutions, networks, knowing the potential of the village
Head of Community Unit	2 people	Know the role of social capital of citizens include commitment, trust, social institutions, networks, knowing the potential of the village
Board of BUM Desa	5 people	Knowing the <i>context, input, process, output</i> , empowerment <i>outcomes</i> from the empowerment stage of Lembengan BUM

		Desa, knowing the role of social capital of citizens , knowing the potential of the village
BPD	1 person	Knowing the <i>context, input, process, output</i> , empowerment <i>outcomes</i> from the empowerment stage of Lembengan BUM Desa, knowing the role of social capital of citizens, knowing the potential of the village
Public representative	3 people	Knowing the role of social capital of citizens include commitment, trust, social institutions, networks, knowing the potential of the village
Total	17 people	

Source: processed by researchers.

Secondary data obtained through documentation. This data consists of document of BUM Desa such as regional regulations, Village Head Decrees, Results Deliberation BUM Desa, BUM Desa report, and Association Memorandum of BUM Desa.

The analysis is conducted since the beginning of data collection. Data were analyzed to identify the meaning even though it was temporary. Thus the analysis of this research is conducted continuously and regularly as long as field study.

The results of the preliminary analysis help researchers discover new phenomena. It can direct the focus of research. It also encourages formulating new questions that require new data. This data can solidify the interpretation or even refute the interpretation. So, the results of the interim analysis can be a source of questions to the next informant. Through the analysis of the study, the author discovers a new aspect of information that can answer the research questions.

Data analysis was conducted during data collection in the field. After all data was collected, the author uses interactive model analysis technique. It occurs simultaneously carried out in conjunction with the data collection process in workflow stages such as: data collection, data reduction, data display and conclusion drawing and verifying (Miles & Huberman, 2007). Data analysis is presented by narrative technique. The author uses triangulation in order for credibility of the result. This credibility can be author responsibility as the main instrument in this study

Triangulation is a data inspection technique that utilizes something else beyond that data. It is important for checking the purposes or as a comparison against that data. Researcher uses source triangulation which means comparing and checking the degree of confidence of information through time and informants (tools). It is so different in qualitative research.

**Table 2**  
**Research Analysis Framework**

Research Problem	Parameters	Data collection	Informant	Informant Analysis
How Local Government of Lembengan through the empowerment of BUM Desa seeks to create an independent village	Context, input, process, output, empowerment outcomes from 5 stages of empowerment such as empowerment program, institutional ability, managerial ability,	Interview Observation Documentation	Head of Village, Local Government, Heads of Neighbourhood Unit, Head of Community Unit as main members of BUM Desa, BPD, BUM Desa members	Interactive techniques

	performance ability, human resource capability			
How big the role of citizens social capital can encourage the empowerment of BUM Desa	1) Commitment 2) <i>Trust</i> , 3) Sosial institution /norms 4) social networks	Interview Observation Documentation	Head of Village, Local Government, Heads of Neighbourhood Unit, Head of Community Unit as main members of BUM Desa, BPD, BUM Desa members	Interactive techniques
What is the local potential for the development of a new local business unit?	Identification of business units in various fields by considering the needs and support that exist in the village	Interview Observation Documentation	Head of Village, Local Government, Heads of Neighbourhood Unit, Head of Community Unit as main members of BUM Desa, BPD, BUM Desa members	Interactive techniques

Source: processed from the researcher

## LOCAL GOVERNANCE IN EMPOWERING BUM DESA

Local governance is the extension of central government agencies. They have a strategic role in the regulation of rural/urban and national development success (Rafsanjani, Supriyono, & Suwondo, 2010). Local governance mapping consists of four main elements: country (local government), political community (Local Representative Community), civil society (institutions and social organizations), and economic community (economic community organization, production and distribution arena by actors and local economy organizations).

Rural empowerment in the context of rural communities is the ability of individuals in society. It focuses on community empowerment as their concerned. She determines a characteristic of society where most of its members are physically and mentally healthy, educated and strong as certainly high level of empowerment (Sunartiningsih, 2004). However, It is not only physical things, but also intrinsic values such as family values, mutual wobbles, and diversity. This empowerment is a basic element that allows a community to survive. It can develop self-reaching goals in a dynamic sense. Community empowerment

emphasizes on efforts to improve the dignity of the society. Nowadays, society are unable to escape from the poverty trap and backwardness. The purpose of the BUM Desa Empowerment activities is to realize the independence of the local economy through institutional development and management of community economic enterprises.

In order to improve local economic independence, the Lembengan Government established BUM Desa under the name of "BUM Desa Lembengan Sejahtera" through regional regulation No. 5 in 2010 on the Establishment and Management of Local-Owned Enterprises in 2010. The establishment of BUM Desa is intended to increase the income of Lembengan, Ledokombo, Jember in order to support the realization of the welfare of Lembengan. It develops the community's economy and the management of local assets in accordance with the needs and potential of Lembengan in Ledokombo.

BUM Desa "Lembengan Sejahtera" in Lembengan is officially strengthened its position with the Decree of the Village Head of Lembengan No. 141/15/35.09.28.2001/2015 regarding the BUM Desa. This guideline regulates the preparation of BUM Desa Lembengan's household budgets carried out by the local government and the existing local

institutions. These are as guidelines as well as a working guide for BUM Desa in planning, implementation, evaluation, and accountability in the implementation of BUM Desa.

From the results of the research, it is known that the empowerment of BUM Desa in Lembengan originally departed from the problem of dissolving “UPK PNPM Mandiri Pedesaan” (it is rural PNPM as one of the mechanisms of community empowerment program used by PNPM Mandiri in the effort to accelerate poverty alleviation and expansion of employment opportunities). So, BUM Desa was established to replace the role of UPK in 2010. But in the end, BUM Desa did not active until 2015. They begin 3 business units such as water supplier, photocopy and economic enterprise.

In this context, the author analyses the roles of local government actors in empowering BUM Desa. The approach to be used in this empowerment analysis is CIPPO (context-input-process and output-outcome) (Sulistiyani, 2004). The results of the analysis are described as follows:

#### 1. Empowerment level evaluation of real conditions

Establishment of BUM Desa based on instruction of Head of Village in 2010. However, BUM Desa is not established in any activity at that moment. BUM Desa began their activities in 2015 with the enactment of the Decree of the Head of Village of Lembengan No. 141/15/35.09.28.2001/2015. There are some business unit such as HIPAM (Water User Association), photocopy, and economic enterprise. Based on the research result, HIPAM is running well until now. But HIPAM is not yet generate big profit for BUM Desa. The price list of HIPAM water usage is Rp.250/m<sup>3</sup>. The BUM Desa managements say that the profit earned can only be used for HIPAM operations. While the photocopy is not running well because there are no employees who want to run it. The photocopy services profits are not enough to pay the employee. So, the copier machine is not currently operated in the office. Meanwhile, economic enterprise has bad credit in the society.

Based on this result of interviews with the BUM Desa management, there is some difficulty to collect deposits in society. Thus, the programs of BUM Desa in Lembengan still have not been implemented and have not run well.

#### 2. Levels of institutional strength

BUM Desa is established through village discussion but it is without bussiness plan. A committee of the board of “BUM Desa Lemengan Sejahtera” in 2015-2020 consists of 12 members, in this following list:

Position	Name
Advisor	Endang Rubianto
Supervisor	Wahet Slamet
	Juli Wahyudi
	Eny Suswarlin
Board	Hasan Jaelani
Treasurer	Saidatul L
Secretary	Khomsiatu
Copy manager	Habibikal Mustofa
	Mai Rini
HIPPAM Board	Ashuri
	Moh Hotim
	Umi Nanik

Source: Decision of Head of Village of Lembengan Number 141/15/35.09.28.2001/2015

This management is determined by Village Head through regional regulation. Although they are legally in constituted, they are not fully run the main duty and function properly. It is also influenced by SOP and Business Unit of Legal Entity of BUM Desa of Lembengan. BUM Desa Lembengan has no permanent office and office inventory. On the other hand, BUM Desa of Lembengan has not yet cooperated with other parties for the development and empowerment of BUM Desa. It indicates the weekness of this institution.

#### 3. Managerial ability

Based on observations and interviews, administrative and bookkeeping management is adequate, but it is not yet orderly. In addition, there are

no regular financial reports to the local government or social community. Financial accountability and business development are not decided by discussion. Thus, the public will find it difficult to obtain information on BUM Desa's finances.

From the capital aspect, there is a capital from local capital participation. Total assets are in 225 million rupiah. With the amount of capital and assets, BUM Desa has not been able to generate profits. This is strongly influenced by the weak managerial ability of the committees.

#### 4. Performance level

BUM Desa of Lembengan only has 2 active business units such as HIPPAM and economic enterprise. This business is developed based on local potential. It is also supported by the local government and social community. However, the 2 business units have not run optimally. HIPPAM and economic enterprise programs are considered to have strengthened existing businesses in the community. It has had an impact on improving services to the community. But, there is no significant impact on the job vacancy, and the purchasing power of the people. Public purchasing power is still low due to the failure of harvest in Lembengan. It makes the society in difficult situation to pay deposits and loans.

### **THE ROLE OF SOCIAL CAPITAL OF CITIZENS IN ENCOURAGING THE EMPOWERMENT OF BUM DESA**

In Regional regulation No. 6 in 2014, there is an adjustment about village. This regulation states local community as the target as well as the perpetrators of local development. Local governments are as the leader of the development and empowerment of the village in order to realize the welfare of the society. When BUM Desa is used as an instrument to realize the independence of the village, the social capital of citizens becomes a substantive. If there are no cooperation, the unity of goals and perceptions among the citizens, as well as the local society with local

government to "organize and take care", BUM Desa empowerment would never be achieved.

According to Putnam, the social capital contribution to collective action refers to parts of social organizations such as commitment, trusts, norms and networks. It can improve people's efficiency by facilitating coordinated actions. Then, it encourages the participation to act together more effective to achieve common goals (Field, 2010). The results of the program have not reached the expectations of its founder because of funding and coordinating are the main factors (Firdaus, 2016). And the other hand, the number of target households (RTS) do not pay the installment of the contact given because of less commitment. These RTS responded poorly to the implementation of the PNPM-MP loan fund program. All RTS that give their views are less useful for poor families, because they are not able to managing money lent (Elparianti, Abbas, & Elvawati, 2013).

The benefits of social capital according to Putnam, such as: (1) allowing society to solve common problems easily; (2) fostering mutual trust in social relationships to realize common interests; and (3) enabling the creation of cooperative networks so that it is easy to get the information (Kasih, 2007). Social capital can be a productive capital to empower BUM Desa. Therefore, the purpose of BUM Desa will not be achieved if social capital does not exist. This is evidence from the results of this study, social capital in the Lembengan is very weak. Therefore, the efforts to empower BUM Desa are very difficult. In conducting social capital analysis, the author uses parameters such as commitment, trust, social/norms, and social networks. It can define important information such as:

#### 1. Commitment

Social commitment to participate in the empowerment BUM Desa participation is very weak. It can be indicate from the BUM Desa business unit such as bad credit



in economic enterprise business. There are problems in collecting the loan. The committees need to ask the loan to poor society. They can not pay it back because they use it for daily consumption. Besides, the cultural factor also influences the society's assumption about government's financial aid. It is in the form of grants so that they are looser to return their loan. As expressed by Mr. Hasan as Head of BUM Desa stated as follows:

*"BUM Desa replaces the UPK in 2010. But they do activities in 2015. BUM Desa makes activities in water supplier, photocopy and economic enterprise. There are alot of complaints from the committees such as their less commitment. In order to anticipate it, the committees have been fostered. But they do not pay it back at the ends. So the development of BUM Desa is slow. It would be better if the capitals are returned." (Interview, July 12, 2017)*

## 2. Trust

The of BUM Desa in Lembengan has not gained the great trust from the Lembengan society. The head of the Lembengan said that the society was underestimating the program of BUM Desa. The head of Lembengan reveals:

*"The local community assumes that it is grant money, so it is very difficult to collect the loan dues. It is in contrast way to borrowing elsewhere. "(Interview, July 10, 2017)*

Mrs. Firda as BUM Desa's Treasurer also revealed:

*"They say that I am a creditor when collecting the loan. They complain it when I ask in many times. "(Interview, July 24, 2017)*

In addition, people's belief in leadership is also weak. The local leadership seems still centralistic. The

decision relating to BUM Desa is mostly decides by the village head only. In this case, the Head of Village decides and the committees run it.

## 3. Social institutions / norms

BUM Desa rarely discuss their work plan. They make confrence for the first time in establishment of BUM Desa. The rules of establishment of BUM Desa are contained in the regional regulation of Head of Village of Lembengan of No. 141/15/35.09.28.2001/2015. However, BUM Desa does not have SOP and business units with legal status. Many people have not been involved in joint discussion for the empowerment of BUM Desa in term of the implementation. BUM Desa decision was still centralized by the Head of Village of Lembengan. It is also the case that BUM Desa does not belong to the society but belongs to the local government. So there is a tendency about BUM Desa as victim of local political dynamics in the Lembengan. As explained by the Head of BUM Desa:

*"People tend to be easily influenced by the dynamics of local politics, especially during a transition of Village Head election. Before the election, BUM Desa run well. The society is also in good condition. The time of entering the transitional period is all ruined. The supporter of The Village Head's competitor did not pay the loan to the BUM Desa. As well as The Village Head's supporters do not pay it. Finally, all of the society does not pay. BUM Desa develops very slowly "(interview, July 12, 2017)*

In Lembengan, local values of the community are still well preserved, such as deliberation, religious, kinship and togetherness, mutual cooperation culture. Unfortunately, these developing values have not been encouraged by local governments to accelerate the process of empowering of BUM Desa. Therefore, the future development always considers and prioritizes the common interest. Thus, the decision must be implemented. It becomes

common consequences. It can be obeyed together. Finally, it is clear that the rules can be understood and implemented with their citizens.

#### 4. Social Networks

BUM Desa of Lembengan has never implemented cooperation between local government and third parties for business development. Whereas, the Lembengan has many local products such as petulo cracker, rick and tobacco. They have the best tobacco products. BUM Desa should be able to build networks with third parties or with other local government to market the local products more widely. As stated by the Secretary of the local government, Mr. Hanan:

*"So far, BUM Desa has no partners or cooperation with outsiders. I still do not know about it." (interview, July 19, 2017)*

### LOCAL POTENTIAL MANAGABLE FOR THE DEVELOPMENT OF A NEW LOCAL BUSINESS UNIT.

Lembengan is a village located in the Ledokombo District, Jember regency, East Java. Lembengan can be reached within approximately 45 minutes from the city by using land transportation such as car or motorcycle. The distance from the city is approximately 25km. Lembengan consists of 5 hamlets such as Klonceng, 1st Krajan, 2nd Krajan, Oloh and Darungan. Lembengan has a tropical climate because it is located close to the mountain Raung. Lembengan mostly lives as farmers and entrepreneurs. Lembengan is a village that well known for a variety of good agricultural products such as tobacco, chilli, rice, corn and nut. There are several excellent potentials in Lembengan such as:

#### 1. Producer of Petulo Cracker

A Petulo cracker is a famous local product in Jember. This cracker is made from cassava. Cassava is widely grown by Jember residents, especially in Lembengan. Petulo crackers are mostly made by 1st krajan area. However, the marketing is less massive. So, people are less aware of petulo cracker as the original product of Lembengan. Here is a

picture of petulo crackers from Lembengan, Jember.

Figur 1.

Petulo Cracker of Jember



#### 2. Fried Brittle

Fried brittle is a food made of black or white sticky rice. It is pounded and fried. This local product is made by residents in Oloh Lembengan. The advantages of this Lembengan Fried Brittle, it made from black sticky rice. So, it looks more attractive and feels sweeter. This local product is not massive marketed in the area of Jember. Especially for these fried foods, KKN students from Jember University in 2016 try to pick up this food to be better known and become a typical food of Lembengan. It can help the economy of Lembengan. Here's a picture of fried brittle of Lembengan Jember.

Figur 2.

Fried Brittle



#### 3. Tape producer

Lembengan society produce tape as special food from Jember. Tape is a food of fermented cassava. Tape will always be a superior products from Jember. There are two types of famous tape in Jember such as Prol Tape dan Suwar Suwir. The

following picture is tape production in the Lembengan Ledokombo Jember.

Figure 3.

Tape Industry in Lembengan



that attracted many people. Lembengan is suitable for planting various types of plants and a good irrigation system to make agricultural potential in large villages. But unfortunately, the local budget funds through BUM Desa have not been directed to develop the local potential. Though, farmers have problems especially about harvest failure due to plant pests. Therefore, society need to get counseling related to pest eradication. They need to learn about the use of insecticides and fertilizers. The farmers will learn good farming procedures.

#### 4. Brick industry

There are many center of bricks industry in Jember. There is some community businesses engaged in the manufacture of bricks in Lembengan. Lembengan brick is popular in Jember. Lembengan bricks production are fairly cheap price, it is 250.000 to 500.000 rupiah / 1000 bricks.

So far, the industries in Lembengan and all potential villages have not been developed by BUM Desa. Therefore, BUM Desa should no longer focus on economic interprise and water supplier business. However, it can enlarge the real sector. They can cooperate with established industry in Lembengan.

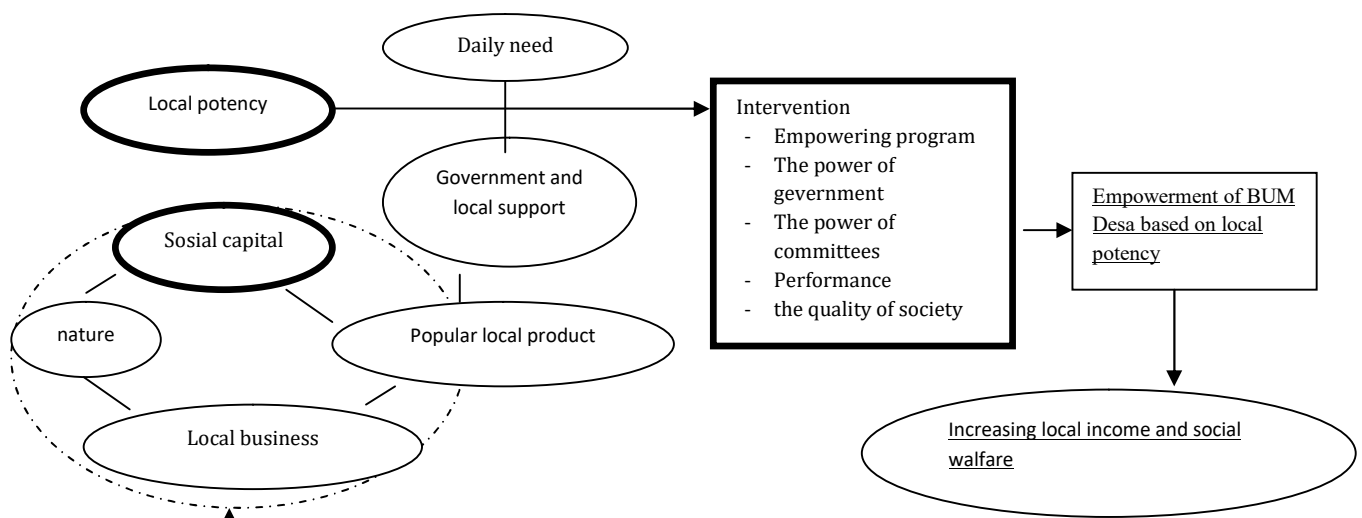
#### 5. The largest producer of tobacco and chili in Jember

Lembengan has great potential in the field of agriculture because Lembengan is one of the areas producing tobacco and chili in Jember. Tobacco in Jember is a high quality. It is not inferior to other countries because of the taste and the trademark

#### BUM DESA EMPOWERMENT MODEL

Based on the analysis on empowerment of BUM Desa about social capital and local potency, it can be formulated empowerment model. It is empowerment model of BUM Desa based on local potency. The model can be described as follows:

Figure1  
Models of empowerment of BUM Desa based on local potency



Based on the picture, the empowerment of BUM Desa should consider and map the local potential as the main capital of BUM Desa. The local potential includes community social capital, natural characteristics, popular local products and local business. There are business reviews to select and determine the type of BUM Desa's business. It considers the existing needs and support of the government and the society. The important components in BUM Desa empowering are intervention by the appropriate empowerment program, the necessary institutional strength, good managerial skills and the performance and quality of their human resources.

## CONCLUSION

The results show the empowerment of BUM Desa still considered less successful. There is still unsucess program in the empowerment level. It has weak institutional power in the institutional level. In the managerial level, there is bad bookkeeping report, administrasion and accountability. In the level of performance, BUM Desa has not had a significant impact on the economic conditions of society, social conditions of society and rural development.

There are problems to realize an independent local business through BUM Desa by the local government. It can be separated from the weak role of social capital such as commitment, trust, norm and network in order to support the empowerment of BUM Desa. The social capital in the community has not been fully utilized to encourage the empowerment of BUM Desa. Lembengan has great potential in empowering BUM Desa. There are business partners as new potential local industry in Lembengan such as brick industry, petulo cracker industry, and tobacco industry.

Model of empowerment of BUM Desa proposed is model of empowerment of BUM Desa based on local potency. The main component is the stakeholder support (government, private sector, NGO, and universities) to conduct empowerment programs and business studies of BUM Desa. In addition, it is necessary to strengthen the social capital of the society. It is also important to focus on the capacity building for the management of BUM Desa in order to

be more professional, transparent and accountable.

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